

# CITY COUNCIL REPORT



Meeting Date: **August 14, 2012**  
 General Plan Element: ***Provide for the orderly government and administration of the affairs of the City***  
 Objective: **Develop City Manager Recruitment Plan**

## **ACTION**

**Discussion and direction on the recruitment and selection for the new City Manager.**

## **BACKGROUND**

On July 2, 2012, City Manager David E. Richert, informed the City Council that he would be resigning immediately. On July 10, 2012 the City Council appointed Executive Director – Public Works, Dan Worth as Acting City Manager on a temporary basis until the City Council appointed a new City Manager. As part of that agreement, Mr. Worth will not pursue the position of City Manager on a permanent basis. The City Council has authority under Scottsdale City Charter, Article 3: Officers of the City, Sec. 1. General Provisions to appoint the City Manager.

## **ANALYSIS & ASSESSMENT**

There are several components to the City Manager executive recruitment process that must be determined in order to move forward with the recruitment plan that best suits the City's needs. These components are embedded within four discussion points; that are outlined below.

### **Issue: Use of outside recruiting firm**

There are both advantages and disadvantages to conducting the City Manager executive recruitment either through an external vendor or through internal resources. Regardless of the option selected, the Executive Recruitment's Scope of Work remains the same. Please refer to Exhibit A for the standard elements of the Executive Recruitment Scope of Work.

The following outlines some of the advantages and disadvantages to conducting the recruitment through an external vendor or through internal resources.

### **External Vendor**

- Specialization and experience in high level recruitment efforts.
- Established network of candidates; including candidates not currently on the open market.

- Objective third party conducting recruitment.
- If the candidate leaves employment within the first year, the vendor will redo the search for expenses only.
- Seasoned candidates more apt to deal with Executive Search Firms.
- Recruitment is primary focus – greater ability to complete faster.
- The cost of the recruitment is marginally higher than through internal resources.

#### **Internal – Human Resources**

- More flexibility over the entire recruitment process.
- No established network of contacts.
- Will affect current workload.
- Will have added cost of contract worker(s) to assist with workload.
- If candidate leaves employment within the first year, redoing the search will increase expenses and affect workload.

The cost for executive recruitment fees is estimated to be \$30,000 (excluding reimbursements and staff time). The cost is estimated to be marginally higher if conducted through an external vendor. Please see Exhibit B for further information on cost.

#### **Issue: Desired level of Council involvement**

##### **Sub-Committee**

City Council may decide to use a sub-committee to represent the Council in the City Manager executive recruitment process and, if so, designate which Council members will serve in this capacity. Duties may include but are not limited to:

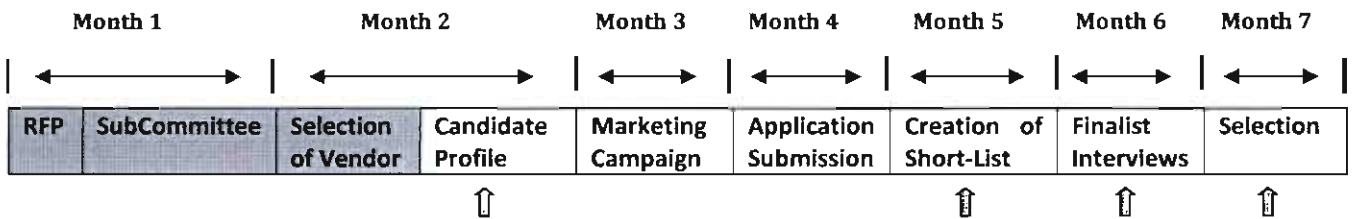
- Review the City Manger recruitment brochure;
- Review and discuss advertising and marketing plan;
- Review and select interview questions;
- Interview semi-finalists; and
- Interview and select finalist candidates.

#### **Issue: Calendar**

##### **Timeline**

Council will determine whether to conduct the executive recruitment through an external vendor or through Human Resources using internal resources. The graphic below represents the core steps of the executive recruitment. The shaded area on the left represents the additional two months required if selecting an external vendor. The un-shaded boxes represent the timeline once the executive recruitment begins. It is estimated that the executive recruitment will take about five months to complete.

## City Council Report | Develop City Manager Recruitment Plan



Council has the opportunity for input at the stages noted with the arrows above. Council should determine for each of these points whether input will come from the current Council or if the timeline should be adjusted to allow input from the new Council which will be seated in January 2013.

### Issue: Characteristics of a City Manager

Council must determine what they are looking for in their new City Manager. To open the discussion and narrow down the candidate pool, Council must determine what specific qualifications, background and/or credentials are critical.

When the selection has been made with regards to the recruitment process, external or internal, the candidate profile will undergo further refinement and development. The purpose of the discussion on this item is to begin to formulate the main/overarching criteria necessary for the position.

## RESOURCE IMPACTS

### Staffing, Workload Impact.

These items have been identified on page two (2).

## RESPONSIBLE DEPARTMENT(S)

Human Resources Department.

## STAFF CONTACTS (S)

Bernadette La Mazza, Human Resources Manager, [blamazza@ScottsdaleAZ.gov](mailto:blamazza@ScottsdaleAZ.gov) 480-312-7237

Terry Welker, Executive Director – Human Resources, [twelker@scottsdaleAZ.gov](mailto:twelker@scottsdaleAZ.gov) 480-312-2615

## APPROVED BY

  
Terry Welker, Human Resources Executive Director

7.31.12  
Date

## **ATTACHMENTS**

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Exhibit A – Executive Recruitment Scope of Work

Exhibit B – Estimated Cost of Executive Recruitment

## **Executive Recruitment Scope of Work**

Standard elements for the executive recruitment scope of work include:

1. Analyze the City Manager job description and draft a position profile – this includes meeting with stakeholders to determine what additional items must be included.
2. Complete a brochure for printing/mailing and posting on the internet on targeted websites – regionally and nationally.
3. Identify any potential candidates through networks, associations or other organizations: complete a targeted mailing of the opportunity.
4. Complete the recruitment timeline and review with stakeholders to agree upon dates and objectives.
5. Review and screen applicants for minimum qualifications.
6. Conduct preliminary interviews of candidates to further refine top candidates.
7. Notify non-selected candidates of their status
8. Complete background checks on selected top candidates.
9. Compile the package of recommendation, including each candidate's resume and qualifications, summary of the preliminary interview, references, and background clearance along with suggested questions for the final interviews.
10. Coordinate the final interviews including the transportation, lodging and travel for each candidate.
11. Conduct final background checks on selected candidate(s).
12. Complete the negotiation and manage the reimbursement of expenses for candidates.

### Estimated Cost for Executive Recruitment

Council will determine whether to complete the recruitment process externally through a vendor or internally through Human Resources staff. The cost is estimated to be marginally higher if the executive recruitment is conducted through an external vendor.

Item	External Vendor	Human Resources (Internal)
Staff Time	\$5,000	\$12,000
Contract	\$30,000	\$10,000
Candidate Expenses (based on bringing in top five candidates)	\$10,000	\$10,000
Marketing	Included in contract	\$7,500 (including brochure; mailing and ad placement)
Background/References	Included in contract	\$5,000
Interview Expenses	\$1,000	\$1,000
<b>Estimated Total</b>	<b>\$46,000</b>	<b>\$45,000</b>

The following are external costs obtained from comparable cities with similar recent executive recruitments conducted through executive search firms.

City	Position	Executive Search Firm	Cost
<b>Peoria</b>	Fire Chief	MBN Services	\$23,200 (including expenses; excluding staff time)
	Community Services Director	MBN Services	\$23,300 (including expenses; excluding staff time)
	HR Director	Novak	\$21,790 (including expenses; excluding staff time)
<b>Glendale</b>	Assistant City Manager	Mercer Group	\$13,500 (including expenses; excluding staff time)
<b>Mesa</b>	Deputy City Manager	Waters Consulting (partial)*	\$9,750 (excluding expenses and staff time)
	CFO	Slavin Mgmt and CPS (partials)*	\$15,300 (excluding expenses and staff time)
<b>Goodyear</b>	Police Chief	Mercer Group	\$15,000 (excluding expenses and staff time)
<b>Gilbert</b>	Town Manager	CPS HR Consulting	\$21,000 (excluding expenses and staff time)
<b>Palo Alto</b>	Director, Development Services	Peckham and McKenney & Associates	\$22,000 - \$27,000 (estimated fees from the RFP; excluding expenses and staff time)
<b>Troy, Michigan</b>	City Manager	Mercer Group	\$19,500 (excluding expenses and staff time)
<b>Miami-Dade, Florida</b>	City Manager	Bob Murray & Associates	\$25,000 (excluding expenses and staff time)

*\*Partials are recruitments that are completed through an external vendor with significant involvement and assistance from the organization's Human Resources Department.*



Human Resources Division

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**Date:** August 7, 2012  
**To:** Honorable Mayor and Members of the City Council  
**CC:** Dan Worth, Acting City Manager; David N. Smith, City Treasurer; Bruce Washburn, City Attorney; Carolyn Jagger, City Clerk; Terry Welker, Human Resources Executive Director  
**From:** Ken Nemec, Benefits Manager  
**Subject:** City Manager Recruitment Plan

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Attached is PowerPoint presentation related to item #1 (City Manager Recruitment Plan) of the August 14, 2012 City Council meeting agenda. Please contact me at (480) 312-7803 if you have any questions or need additional information.

# **City Manager Recruitment**

Human Resources

August 14, 2012



## **Action:**

- Discussion and direction on the recruitment and selection for the new City Manager.

# External Recruitment Firm

## External Vendor:

- Specialization and experience in high level recruitment efforts.
- Established network of candidates; including candidates not currently on the open market.
- Objective third party conducting recruitment.
- If the candidate leaves employment within the first year, the vendor will redo the search for expenses only. (can specify this in the RFP)
- Seasoned candidates more apt to deal with Executive Search Firms.
- Recruitment is primary focus – greater ability to complete faster.
- The cost of the recruitment is marginally higher than through internal resources.

# Human Resources

## **Internal Resources:**

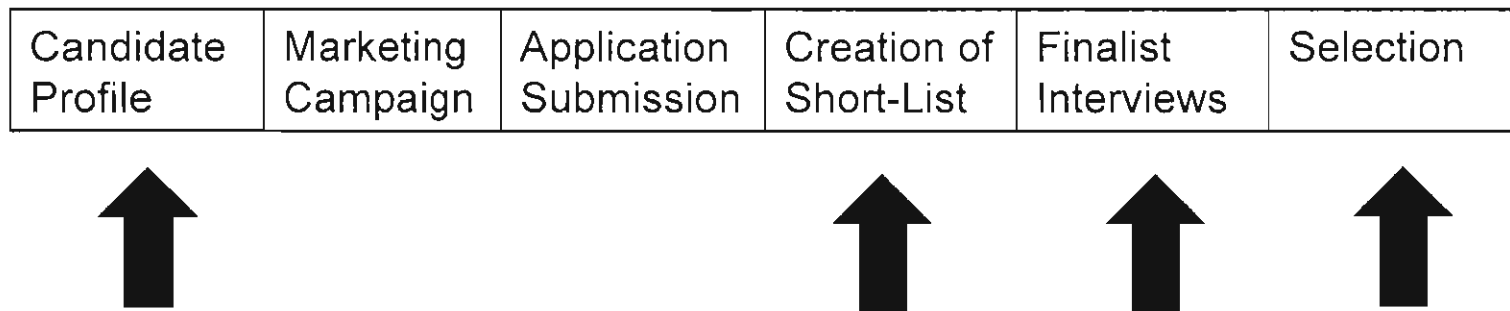
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- Cost of recruitment only marginally less than using an outside vendor.

# Desired level of Council involvement

- Possible Sub-Committee duties:
  - Review the City Manager recruitment brochure.
  - Review and discuss advertising and marketing plan.
  - Review and select interview questions.
  - Interview semi-finalists.
  - Interview and select finalist candidates.

## Issue: Calendar

- Regardless of the option selected (external or internal) the executive recruitment will take an estimated 5 months to complete.



- Council has the opportunity for input at the stages noted with the arrows above.

- Should the Council select an external vendor, an additional two months would be added to the overall executive recruitment calendar.

RFP	Sub-Committee	Selection of Vendor
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- The items above are the additional steps required by selecting an external vendor.

## **Characteristics of a City Manager**

What are you looking for in your new City Manager?

- Credentials
- Qualifications
- Background

Item 1

## **City Manager Recruitment**

Human Resources  
August 14, 2012

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3

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4

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5

## Issue: Calendar

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Candidate Profile	Marketing Campaign	Application Submission	Creation of Short-List	Finalist Interviews	Selection
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6

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7

### **Characteristics of a City Manager**

What are you looking for in your new City Manager?

- Credentials
- Qualifications
- Background

8

**Stevens, Katie**

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**From:** nporter2@cox.net  
**Sent:** Friday, August 03, 2012 4:38 PM  
**To:** Jagger, Carolyn; Stevens, Katie  
**Subject:** Agenda Item Comment for 08/14/12 - Item 1

Meeting Date: 08/14/12

Item Number: 1

Contact Information (if blank, user did not provide):

Name: Nathan Porter

Address: 7535 E Windsor Ave

C/S/Z: Scottsdale, AZ 85257

Phone:

Comment for 08/14/12 Item 1:

I request that the city hold a public forum with the top five city manager candidates before the council makes its selection